



POLICY TITLE    FINANCIAL ASSISTANCE FOR MUNICIPAL WATER AND SEWAGE SERVICE	NO.  06-01-01
<u>Legislative Authority</u>  the Ontario Water Resources Act	
<u>Statement of Principles</u>  This policy concerns the programs of the Ministry of the Environment directed towards assisting the construction of municipally-owned communal water and sanitary sewage works and the repair or renewal of private water and sewage systems (the Direct Grant Program) and the construction of rural water pipeline extensions (the Rural Water Pipeline Extension Program). The number of projects assisted annually is limited by funds available. Projects are selected for award of grants by means of a Project Priority Evaluation system. Grant amounts are based on population levels in the municipality serviced.  1. <u>Direct Grant Program</u>  1.1 <u>Grants for Major Works</u> Any municipality can apply for a grant towards the capital cost of major components of communal water and sewage works.	
<u>Point of Contact</u> Director, Project Engineering Branch	
<u>Effective Date</u>  February 24, 1981	

1.1.1  
Eligible Works

Eligible works include: for water supply - intakes, treatment and storage facilities and trunk feeder mains; for sewage - treatment facilities, outfall and trunk sanitary sewers and associated pumping stations.

1.1.2  
Priority

Priority is given to:

- (a) works to service an area encompassing more than one municipality;
- (b) works providing for an increased supply of serviced lots in growth areas.

1.1.3  
Amount of Grants

Grants are equal to 15% of approved capital cost after deduction of federal or Provincial grants.

1.1.4  
Area Schemes

Details regarding the application of this policy to area schemes may be found in Policy 06-04 FINANCIAL ASSISTANCE FOR MUNICIPAL AREA SCHEMES.

1.2 Grants to Small Municipalities

A small municipality is defined here as an improvement district, village, township, town or separated town where the existing population is 7,500 or less.

Small communities which are part of a larger municipality with a population exceeding 7,500 may be eligible for grants provided that the community is well defined as a separate entity with respect to servicing requirements, and the residents of the community would bear the full cost of the project, net of subsidies.

1.2.1  
Eligible Works

Small municipalities can apply for grants towards the cost of:

- (a) new communal water and sewage works to service existing communities;
- (b) extensions to existing works;
- (c) replacement of existing substandard water or sewage systems to meet MOE guidelines or standards;



1.3.1  
Conditions

(a) Costs will be shared as follow:

(i) community population - 1,000 or less:

	<u>% of Approved Cost</u>
Ministry grant	60
Regional Municipality	25
Area Municipality	15

(ii) community population over 1,000 but under 7,500: grant will be calculated according to the formula in 2.4 and divided between the Ministry and the Regional Municipality in the ratio 0.7 to 0.3; the area municipality to pay the remaining cost.

(b) Award of the Ministry's grant will be subject to agreement by the Regional Municipality to provide its share of costs.

1.3.2  
Amount of Grants

Ministry grant will be based on lowest responsible tender received.

2. Rural Water Pipeline Extension Program

Any municipality may apply for a grant for the construction of water pipeline extensions in rural areas outside urban boundaries. Pipeline projects not qualifying under 1.2 may qualify under this program.

2.1 Conditions

- (a) Grants will be made towards minimum systems, consisting of small diameter watermains to serve residential uses except fire protection and most farm uses except irrigation.
- (b) Each rural water pipeline extension is subject to approval of the Ministries of Agriculture and Food and of Municipal Affairs.

2.2 Amount of Grants

Grants equal 25% of approved cost after deduction of federal or Provincial grants. Grants will be based on lowest responsible tender received.

3. Payment of Grants

Grants of 15% are paid upon proof of contract award less a 10% holdback. Grants greater than 15% are made as quarterly advances against projected expenditures less 10% holdback. Final payment is made against audited final costs.

4. Engineering Studies

Upfront grants are available towards the cost of engineering reports and final design, as follows.

4.1 Ineligibility

Rural water pipeline extensions are not eligible for grants towards engineering reports and final design.

4.2 Conditions

Ministry must participate in preparation of terms of reference for engineering studies, and must approve final report.

4.3 Amount of Grant

Grant provided will be at same percentage level as capital grant.

4.4 Payment4.4.1 Study Report

Fifty percent of grant paid on submission of report; balance paid on its approval by Ministry.

4.4.2 Detailed Design

Payment is made as quarterly advances against projected expenditure, adjusted by actual.

5. Project Priority  
Evaluation System5.1 Evaluation System  
for Grants to  
Municipalities

Projects submitted by municipalities will be evaluated for two purposes:

- (a) For acceptance or rejection for grant assistance;
- (b) To set priorities for assistance.

## 5.2 Grants for Major Works

Projects will be graded according to the contribution made to achieving defined objective units, which are given an agreed weighting as an indication of relative importance.

<u>Objective Units</u>	<u>Weightings</u>
(a) Percentage increase in serviced population	4
(b) Total new population serviced	4
(c) Correction of existing problems which have caused delay in approval of urban development	3

### 5.2.1 Grading Procedures

The Project Assessment Value is used to set priorities for project assistance. It is determined by adding the weighted gradings of each project on three objective units as follows:

- (a) Objective Unit: Percentage increase in serviced population

Design population to be serviced  
by facility ..... a

Current population serviced  
by facility ..... b

Percentage increase in serviced  
population .....  $c = \frac{(a-b)}{b} \times 100$

Percentage increase in serviced  
population:

<u>(c)</u>	<u>Grading</u>
1% to 10%	1
11% to 25%	2
26% to 50%	4
50% +	5

(b) Objective Unit: Total new population serviced

<u>Increase</u>	<u>Grading</u>
0 to 500	1
501 to 750	2
751 to 1,000	3
1,001 to 1,500	4
1,501 to 2,000	5
2,001 to 3,500	6
3,501 to 5,000	7
5,001 to 7,500	8
7,501 to 10,000	9

<u>Increase</u>	<u>Grading</u>
10,001 to 12,500	10
12,501 to 15,000	11
15,001 to 17,500	12
17,501 to 20,000	13
20,001 to 25,000	14
25,001 to 30,000	15
30,001 to 40,000	16
40,001 to 50,000	17
50,001 to 60,000	18
60,001 to 100,000	19
100,000+	20

(c) Objective Unit: Correction of existing problems which have caused delay in approval of urban development

<u>Period of Delay</u>	<u>Grading</u>
Over 3 years	4
Over 2 to 3 years	3
Over 1 to 2 years	2
Up to 1 year	1
No delay	0

5.2.2  
Calculation of  
Project Assessment  
Value and Priority  
Ranking

The value of the grading x weighting is calculated for each objective unit. The Project Assessment Value is the sum of these.

5.2.3  
Level of Provincial  
Support

Where a project is accepted, the amount of assistance to be provided will be 15% net of Federal or Provincial grants.

Example:

<u>Objective</u> <u>Unit</u>	Municipality		
	X <u>Grade x</u> <u>Weighting</u>	Y <u>Grade x</u> <u>Weighting</u>	Z <u>Grade x</u> <u>Weighting</u>
Percentage increase in serviced population	4 x 4 = 16	2 x 4 = 8	4 x 4 = 16
Total new population serviced	3 x 4 = 12	10 x 4 = 40	6 x 4 = 24

<u>Objective</u> <u>Unit</u>	Municipality		
	X <u>Grade x</u> <u>Weighting</u>	Y <u>Grade x</u> <u>Weighting</u>	Z <u>Grade x</u> <u>Weighting</u>
Correction/ delay	2 x 3 = <u>6</u>	4 x 3 = <u>12</u>	3 x 3 = <u>9</u>
Total Project Assessment Value	<u>34</u>	<u>60</u>	<u>49</u>
Priority	3	1	2

5.3 Projects in Small  
Municipalities

Projects are assessed on the basis of the following objective units:

- (a) The removal of health hazards;
- (b) Environmental protection;
- (c) Accommodation of growth; and
- (d) Community enhancement.



### 5.3.1 Calculation

#### Example:

<u>Assigned Objective Units:</u>	<u>Weighting x Grading</u>			=	<u>Assessment</u>
HEALTH	150	x	5	=	750
ENVIRONMENT	75	x	3	=	225
GROWTH	100	x	4	=	400
ENHANCEMENT	10	x	2	=	<u>20</u>
Assessment Value					<u>1,395</u>

### 5.3.2 Project Scoring

The assessment value is used to determine whether Provincial Assistance will be granted (minimum score must be achieved) and to set priorities for project assistance.

### 5.3.3 Level of Provincial Support

Where a project is accepted, the amount of assistance to be provided will be up to 85% net of Federal or Provincial grants.